85-1243

No.

Supreme Court, U.S.
FILED
DEC 27 1985
JOSEPH F. SPANIOL, JR.
CLERK

In the

Supreme Court of the United States

OCTOBER TERM, 1985

NICK N. NOVICKY,

Petitioner,

vs.

SYNTEX OPHTHALMICS, INC. and
ARAPAHOE CHEMICALS, INC.
(now SYNTEX CHEMICALS, INC.),

Respondents.

NICK N. NOVICKY,

Petitioner,

vs.

GEORGE F. TSUETAKI and FUSED KONTACTS
OF CHICAGO, INC.,

Respondents.

SUPPLEMENTAL APPENDIX

KEITH V. ROCKEY
135 South LaSalle Street
Chicago, Illinois 60603
(312) 346-0338
Attorney for Petitioner

The Scheffer Press, Inc.—(312) 263-6850

INDEX TO SUPPLEMENTAL APPENDIX

Page

Verified Answer And Counterclaim of Defendant Nick N. Novicky To Verified Complaint For Injunction And Other Relief, Filed in the State Court Action . . . . A 1

Opinion of the Illinois Appellate Court In Tsuetaki et al. v. Novicky, Entered December 7, 1983. . . . . A 3

Opinion of the United States Court Of Appeals For the Federal Circuit In Syntex Ophthalmics et al. v. Novicky, Dated July 18, 1985. . . . . A 58

Order denying Petition for Rehearing and Suggestion for Rehearing in Banc in Syntex Ophthalmics et al. v. Novicky, Dated October 2, 1985 . . . . . A 68

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT CHANCERY DIVISION

GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC. an Illinois Corporation, Plaintiffs,	)	
vs.	)	
NICK N. NOVICKY, Defendant,	)	NO. 80
	)	CH 4724
and	)	
NICK N. NOVICKY, Counter-Plaintiff,	)	
vs.	)	
GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., an Illinois Corporation, Counter-Defendant.	)	

VERIFIED ANSWER AND
COUNTERCLAIM OF DEFENDANT
NICK N. NOVICKY TO VERIFIED COMPLAINT
FOR INJUNCTION AND OTHER RELIEF

Defendant and Counter-Plaintiff, NICK N. NOVICKY, by his attorneys, KECK, MAHIN & CATE, answers the Verified Complaint For Injunction and Other Relief of the Plaintiffs and Counter-Defendants, GEORGE F. TSUETAKI

and FUSED KONTACTS OF CHICAGO, INC. and counter claims against said Plaintiffs and Counter-Defendants as follows:

COUNT I

1. Defendant and Counter-Plaintiff NICK N. NOVICKY (hereinafter "NOVICKY"), does not possess sufficient knowledge to form a belief as to the truth or falsity of the allegations contained in paragraph 1 of Count I of the Verified Complaint for Injunction and Other Relief (herein-after the "Complaint") of the Plaintiffs and Counter-Defendants, GEORGE F. TSUETAKI (hereinafter "TSUETAKI") and FUSED CONTACTS OF CHICAGO, INC. (hereinafter "FUSED") and therefore demands strict proof thereof.

2. NOVICKY admits the allegations contained in paragarph 2 of Count I of the Complaint.

3. NOVICKY admits the allegations contained in paragraph 3 of Count I of the Complaint.

4. NOVICKY denies the allegations contained in paragraph 4 of Count I of the Complaint. Furthering answer said allegations, NOVICKY states that in August, 1978 he did contact TSUETAKI and FUSED concerning the business of manufacturing and selling gas permeable contact lens and materials used for making gas permeable contact lens and other lens devices and that NOVICKY did sign the contract dated August 31, 1978, a copy of which is attached to the Complaint as Exhibit "A".

5. NOVICKY denies the allegations contained in paragraph 5 of Count I of the Complaint. Further answering said allegations, NOVICKY states the terms of the contract attached to the Complaint as Exhibit "A" did provide, inter alia, that NOVICKY shall be employed by TSEUTAKI (or FUSED, at TSUETAKI's convenience) for research and development work and for the purpose of developing materials and techniques useful in the produc-

tion of contact lens, contact lens blanks, materials used to make such lenses and blanks, chemical formulations and compositions used as ingredients or components of such lenses or lens blanks, and other materials.

6. NOVICKY admits the allegations contained in paragarph 6 of Count I of the Complaint.

7. NOVICKY denies the allegations contained in Paragraph 7 of Count I of the Complaint. Further answering said allegations NOVICKY states that FUSED did rent a facility in Northbrook, Illinois, and that TSUETAKI and FUSED established a division known as G & N Research Laboratories.

8. NOVICKY denies the allegations contained in Paragraph 8 of Count I of the Complaint. Further answering said allegations, NOVICKY states that after August 31, 1978, NOVICKY did conduct research and development in the field of plastics for developing formulations and techniques for producing plastic

contact lens and lens blanks and that during the course of his employment he did develop certain materials which appeared to be satisfactory for consumer use and appeared suitable for governmental approval.

9. NOVICKY admits the allegations contained in paragraph 9 of Count I of the Complaint.

10. NOVICKY does not possess sufficient information to form a belief as to the truth or falsity of the allegations contained in paragraph 10 of Count I of the Complaint and therefore demands proof thereof.

11. NOVICKY denies the allegations contained in Paragraph 11 of Count I of the Complaint. Further answering said allegations, NOVICKY states that he cooperated with TSUETAKI's attorney, James Fitzgibbon, in the filing of a patent application (S.N. 081,682) for an invention conceived during NOVICKY's employment by TSUETAKI and FUSED.

12. NOVICKY denies the allegations contained in paragraph 12 of Count I of the Complaint.

13. NOVICKY denies the allegations contained in paragraph 13 of Count I of the Complaint.

14. NOVICKY denies the allegations contained in paragraph 14 of Count I of the Complaint.

15. NOVICKY denies the allegations contained in paragraph 15 of Count I of the Complaint.

16. NOVICKY denies the allegations contained in Paragraph 16 of Count I of the Complaint.

17. NOVICKY denies the allegations contained in paragraph 17 of Count I of the Complaint. Further answering said allegations, NOVICKY states that on June 18, 1980 he did submit a letter of resignation attached to the Complaint as Exhibit "G".

18. NOVICKY denies the allegations contained in paragraph 18 of Count I of the Complaint.

19. NOVICKY denies the allegations contained in paragraph 19 of Count I of the Complaint.

20. NOVICKY does not possess sufficient knowledge to form a belief as to the truth or fasity of the allegations contained in paragraph 20 of Count I of the Complaint and therefore demands strict proof thereof. Further answering said allegations, NOVICKY stated that:

(i) he did speak to TSUETAKI on June 27, 1980, and did inform him Mr. Stagemeyer was in the office at the G&N premises in Northbrook, but that NOVICKY never permitted Mr. Stagemeyer access to the laboratory located on the G&N premises in Northbrook;

(ii) on June 30, 1980, he informed TSUETAKI that he was too ill to report to work;

(iii) he arrived at the G & N premises at approximately 12:30 that day to pick up his mail; and

(iv) on said date, TSUETAKI and FUSED demanded that NOVICKY deliver over all of the books and records allegedly belonging to TSUETAKI and FUSED and that NOVICKY deliver over all keys to the premises and that he vacate the premises.

21. NOVICKY denies the allegations contained in paragraph 21 of Count I of the Complaint.

22. NOVICKY denies the allegations contained in paragraph 22 of Count I of the Complaint.

23. NOVICKY denies the allegations contained in paragraph 23 of Count I of the Complaint.

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that Count I of Plaintiffs' and Counter-Defendants', GEORGE

F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., Verified Complaint for Injunction and Other Relief be dismissed and that Defendant and Counter-Plaintiff, NICK N. NOVICKY, be granted his costs and such other relief as this Court deems equitable.

COUNT II

1-22. NOVICKY repeats and realleges paragraphs 1 through 22 of Count II as though restated herein for his answer to paragraph 1-22 of Count II of the Complaint.

23. NOVICKY denies the allegations contained in paragrapy 23 of Count II of the Complaint.

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that Count II of Plaintiffs' and Counter-Defendants', GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., Verified Complaint for Injunction and Other Relief be dismissed and that Defendant

and Counter-Plaintiff, NICK N. NOVICKY, be granted his costs and such other relief as this Court deems equitable.

COUNT III

1-22. NOVICKY repeats and realleges paragraphs 1 through 22 of Count I as though restated herein for the answers to paragraphs 1-22 of Count III of the Complaint.

23. NOVICKY denies the allegations contained in paragraph 23 of Count III of the Complaint.

24. NOVICKY denies the allegations contained in paragraph 24 of Count III of the Complaint. Further answering said allegations NOVICKY states that, pursuant to TSUETAKI's instructions or with TSUETAKI's knowledge, he has filed certain patent applications, S.N. 066,054 and S.N. 074,427 in the United States Patent Office.

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that Count III of Plaintiffs' and Counter-Defendants', GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., Verified Complaint for Injunction and Other Relief be dismissed and that Defendant and Counter-Plaintiff, NICK N. NOVICKY, be granted his costs and such other relief as this Court deems equitable.

FIRST AFFIRMATIVE DEFENSE

NOVICKY states as his first affirmative defense that TSUETAKI and FUSED by false promises and other deceptive practices fraudulently induced NOVICKY to enter into the Agreement attached to the Complaint as Exhibit A. Because of such fraudulent conduct by TSUETAKI and FUSED, NOVICKY is entitled to rescission and said Agreement is void and unenforceable.

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that Plaintiffs' and Counter-Defendants', GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., Verified Complaint for Injunction and Other Relief be dismissed and that Defendant and Counter-Plaintiff, NICK N. NOVICKY, be granted his costs and such other relief at this Court deems equitable.

SECOND AFFIRMATIVE DEFENSE

NOVICKY states as his second affirmative defense that COUNT I of the Complaint fails to allege specific facts concerning the alleged confidential information which was revealed to or developed by NOVICKY during the course of his employment by TSUETAKI and/or FUSED, but rather only alleges vague legal conclusions.

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that the

injunctive relief requested in paragraphs A, B and C of Count I of the Complaint be denied.

THIRD AFFIRMATIVE DEFENSE

NOVICKY states as his third affirmative defense that it was never the intent of the parties that NOVICKY's patent claims which are the subject of Patent Applications S.N. 066,054 and S.N. 74,427 be sold to TSUETAKI and/or FUSED pursuant to the August 31, 1978 Agreement and that TSUETAKI acknowledged such fact and waived and released any claim to NOVICKY's patent rights accruing from patent applications S.N. 066,054 and S.N. 74,427 in his letter to NOVICKY dated January 31, 1980 and attached to the Complaint as Exhibit "C".

WHEREFORE, Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests that the relief requested by Plaintiffs and Counter Defendants, GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., in Count III of the Complaint be denied.

COUNTER CLAIM

COUNT I

FRAUD IN THE INDUCEMENT

1. In approximately the beginning of August, 1978, NOVICKY contacted TSUETAKI and FUSED concerning the sale of a certain invention gas permeable contact lens material (hereinafter referred to as Fusefocon GN-1 material) developed by NOVICKY prior to that date.

2. After this initial contact, there were several later discussions between TSUETAKI and NOVICKY concerning said invention and the employment of NOVICKY by TSUETAKI or one of his companies in order to complete the development of said Fusefocon GN-1 material.

3. During the course of these discussions, TSUETAKI offered to purchase said invention from NOVICKY and to employ NOVICKY to develop said material on the following terms:

(i) a three year employment contract with an initial base salary of $22,500 per annum;

(ii) a $10,000 payment which was to be paid upon the date on which a patent application for the Fusefocon GN-1 material was filed, and an additional $10,000 payment which was to be paid upon the date on which a patent was granted persuant to said application;

(iii) a percentage of the profits from the sales of the Fusefocon GN-1 material and from the sales of any other material developed by NOVICKY; and

(iv) employee perquisites such as a company paid travel to European customers and cash bonuses.

4. On August 30, 1978, TSUETAKI and one of his attorneys, James Fitzgibbon, travelled to NOVICKY's apartment in Wheaton, Illinois and presented NOVICKY with the first written

proposal which purported to embody the terms of NOVICKY'S negotiations with TSUETAKI.

5. Said written proposal did not contain any provisions which related to the share of the profits on the sales of the Fusefocon GN-1 material or other material developed by NOVICKY which TSUETAKI had promised NOVICKY he would receive if he sold said invention to TSUETAKI, or which related to the employee perquisites which TSUETAKI had promised to NOVICKY.

6. At that date TSUETAKI stated to NOVICKY that it was not necessary to include in the written agreement specific provisions concerning NOVICKY'S share of the profits and his employee perquisites, since such items would be paid to NOVICKY persuant to paragraph 8 of the agreement or granted to him pursuant to TSUETAKI'S oral promises. Paragraph 8 provided for a "discretionary bonus" to be paid to NOVICKY by TSUETAKI at times

and in amounts to be determined in TSUETAKI'S sole discretion.

7. NOVICKY, a relatively recent immigrant to the United States (from Czechoslovakia in 1970), did not have a sophisticated knowledge of either the English language or contract law. As a result of such lack of sophistication NOVICKY did not understand the terms of the Agreement attached to the Complaint as Exhibit A or the legal ramifications thereof. NOVICKY, at all times therein, believed that TSUETAKI was legally bound to fulfill his oral promises to pay NOVICKY a percentage of the profits on the sales of the material developed from NOVICKY's inventions, including, but not limited to, Fusefocon GN-1 material and to provide him with employee perquisites.

8. After NOVICKY requested that one minor change be made in the agreement, TSUETAKI and his attorney, James Fitzgibbon,

returned to NOVICKY'S apartment on August 31, 1978, with a second version of the written agreement to be entered into by and between TSUETAKI and NOVICKY. Said agreement was identical to the one proposed on the previous day, except that the minor change requested by NOVICKY was made and that TSUETAKI, without consulting NOVICKY, had extended the term of the agreement from three to four years.

9. NOVICKY discovered the change in the length of the term of the agreement but after a discussion with TSUETAKI during which TSUETAKI further assured NOVICKY that TSUETAKI would keep his oral promises, NOVICKY executed the agreement which is attached to the Complaint as Exhibit "A" (hereinafter "Agreement").

10. At no time during the course of NOVICKY'S negotiations with TSUETAKI and FUSED did NOVICKY consult or have access to an attorney.

11. TSUETAKI and FUSED knew or should have known that NOVICKY did not have a sophisticated knowledge of either the English language or American law. In spite of this knowledge, TSUETAKI and FUSED did not suggest to NOVICKY that he consult an attorney, but rather stated to him that it was not necessary to consult an attorney because NOVICKY could "trust" TSUETAKI to fulfill his oral promises and obligations thereunder.

12. TSUETAKI also took active steps to prevent NOVICKY from having a chance to consult an attorney by stating several times that if NOVICKY did not immediately accept TSUETAKI'S offer as embodied in the Agreement, then such offer would terminate.

13. NOVICKY, in reliance on TSUETAKI's oral promises that TSUETAKI would pay to NOVICKY a percentage of the profits resulting from the sale of the Fusefocon GN-1 material and NOVICKY'S other inventions and research,

and that NOVICKY would be entitled to certain employee perquisities, executed in the Employment Agreement on August 31, 1978.

14. TSUETAKI at all times during said negotiations knew that the written Agreement did not contain any specific terms which required him to pay NOVICKY any portion of the profits from the sales of Fusefocon GN-1 material or any other material developed by NOVICKY or which required FUSED and/or TSUETAKI to provide NOVICKY with company paid travel and other employee perquisites. TSUETAKI fraudulently made such oral promises, with knowledge that NOVICKY was unsophisticated in his undertaking of the English language and American law, for the purpose of obtaining NOVICKY's inventions and research capabilities and with no intentions of honoring such promises.

15. During the first several months of the term of the Employment Agreement, TSUETAKI continued to make further oral promises to NOVICKY that he would receive a share of

the profits resulting from the sales of the products produced from NOVICKY'S inventions and research, including but not limited to the Fusefocon GN-1 material.

16. During said time period, TSUETAKI established a division of FUSED entitled G&N Research Laboratories, Inc. The G&N stood for "George" and "Nick" and the division was so entitled to create the impression in NOVICKY'S mind that he was a partner with TSUETAKI and as such would be entitled to a portion of the profits of their common enterprise.

17. Induced by TSUETAKI'S oral promises that he would receive a portion of the profits resulting from the sales of materials produced and developed by him, NOVICKY diligently fulfilled the obligations of the Employment from August 31, 1978 until June 30, 1980. During said time period, NOVICKY developed the production process for Fusefocon GN-1 material.

18. In addition, during the period from August 31, 1978 until June 30, 1980 NOVICKY, based on research conducted by NOVICKY prior to his employement by TSUETAKI and FUSED developed materials which are the subject of two other patent applications, 072,449 and 103,408. NOVICKY also developed the material which was the subject of another patent application, 081,682. Such material was a refinement of a competitor's product. All such applications were assigned by NOVICKY to TSUETAKI, pursuant to the terms of the Agreement.

19. Production and sales of the materials produced as a result of NOVICKY'S inventions and research began in approximately April, 1979.

20. TSUETAKI, in spite of numerous requests by NOVICKY, did not fulfill his oral promises and obligations to pay to NOVICKY any portion of the profits from the sales of such materials.

21. On May 16, 1980, TSUETAKI, pursuant to a letter attached to the Complaint as Exhibit F, finally offered to pay to NOVICKY the sum of $1.00 for each standard rod of Fusefocon GN-1 material produced. TSUETAKI, however, failed to comply with the terms of said offer and did not pay to NOVICKY the sum of $1.00 for each standard rod of Fusefocon GN-1 material.

22. TSUETAKI also failed to fulfill his promises to provide NOVICKY with company-paid travel to European customers; but rather actively prevented Novicky from having contact with said customers by refusing to disclose to NOVICKY the identity of said customers and by forbidding NOVICKY to attend trade meetings involving the contact lens industry and from entering science contests in the contact lens industry.

23. During the course of NOVICKY'S employment with FUSED and TSUETAKI, TSUETAKI

continued to attempt to take advantage of NOVICKY'S lack of legal sophistication. In April of 1980, TSUETAKI presented NOVICKY with a "Supplemental Agreement", a true and correct copy of which is attached hereto as Exhibit "1". Among the onerous and unconscionable privisions contained therein were two paragraphs, 3 and 46, which purported to permit TSUETAKI to require NOVICKY to work for TSUETAKI for the rest of his life, yet permitted TSUETAKI to terminate the Agreement and the Supplemental Agreement without notice.

24. At all times herein:

(i) NOVICKY acted in reliance on TSUETAKI'S promises that NOVICKY would be paid a portion of profits resulting from the sales of materials produced from his inventions and would be given employee perquisites;

(ii) TSUETAKI knew he should have known that NOVICKY was acting in reliance on such promises;

(iii) TSUETAKI had no intention of paying to NOVICKY any portion of the profits resulting from sales of Fusefocon GN-1 material or any other material produced or developed by NOVICKY;

(iv) NOVICKY would not have agreed to enter into the Agreement except for TSUETAKI'S promises that NOVICKY would be paid a portion of the profits rsulting from sales of materials produced from his inventions and that NOVICKY would be entitled to employee perquisites; and

(v) NOVICKY was materially damaged by the failure to TSUETAKI to fulfill such promises.

WHEEFORE, the Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests the following relief:

a. For an order declaring the Agreement to be null and void for failure of consideration and fraud.

b. For an order requiring the Plaintiffs and Counter-Defendants to reassign to the Defendant and Counter-Plaintiff the following patent or patent applications:

(i) 006725;

(ii) 072,449; and

(iii) 103,408.

c. For an order requiring Plaintiffs and Counter-Defendants to submit to Defendant and Counter-Plaintiff an accounting of all sales of any material or item which is based on or composed of the materials which are the subject of the patent applications listed in (b) above and to pay the Defendant and Counter-Plaintiff all profits resulting from such sales.

d. For an order declaring that Plaintiffs and Counter-Defendants have no right, title or interest in patent applications 66054 and 74427;

e. For punitive damages in the amount of $250,000.00; and

f. For such other relief as this Court deems just and equitable.

COUNT II

BREACH OF CONTRACT

1-22. NOVICKY realleges and restates paragraphs 1 through 22 enclusive of Count I of the Counterclaim as paragraphs 1 through 22 enclusive of Court III of the Counterclaim.

23. At no time between August 31, 1978 and the date hereof has TSUETAKI ever paid NOVICKY any portion of the profits resulting from the sales of Fusefocon GN-1 material or any other material developed by NOVICKY during the period between August 31, 1978 and June 30, 1980.

24. Pursuant to TSUETAKI'S promises to NOVICKY, NOVICKY is entitled to a reasonable portion of such profits.

25. A reasonable portion of such profits is equal to five percent (5%) of the sales price of all item produced from Fusefocon GN-1 material or any material which is the subject of patent applications 072,449 and 103,408.

WHEREFORE, the Defendant and Counter-Plaintiff, NICK N. NOVICKY, requests the following relief:

(a) For an order requiring the Plaintiffs and Counter-Defendants to submit to Defendant and Counter-Plaintiff an accounting of all sales of any mateiral or item which is based on or composed of any of the Fusefocon GN-1 material in the materials which are the subject of patent applications 072,449 and 103,408.

(b) For an order requiring the Plaintiffs and Counter-Defendants to pay to the Defendant and Counter-Plaintiff the sum equal to five percent (5%) of the gross sales price

of all such sales as shown by the accounting requested in (a) above.

(c) For an order requiring the Plaintiffs and Counter-Defendants to pay to Defendant and Counter-Plaintiff a sum equal to five percent (5%) of the gross sales price of all future sales of any such materials.

(d) For such other relief as this Court deems fair and equitable.

COUNT III

BREACH OF CONTRACT

1-22. NOVICKY realleges and restates paragraph 1 through 22 inclusive of Count I of the Counterclaim as paragraphs 1 through 22 inclusive of Count III of the Counterclaim.

23. TSUETAKI and FUSED failed to fulfill their obligation to pay NOVICKY $1.00 per each rod of Fusefocon GN-1 material which met the specifications stated in the document attached to the Complaint as Exhibit "F".

WHEREFORE, the defendant and counter-plaintiff prays for the following relief:

(a) For an order requiring TSUETAKI and FUSED to submit to NOVICKY an accounting of all rods produced between May 16, 1980 and June 30, 1980 by FUSED, TSUETAKI or any corporation or business entity controlled by TSUETAKI or in which TSUETAKI has an interest.

(b) For an order requiring TSUETAKI and FUSED to pay to NOVICKY the sum of $1.00 for each rod so produced by FUSED, TSUETAKI or any corporation or business entity controlled by TSUETAKI or in which TSUETAKI has an interest.

(c) For such other relief as this Court deems fair and equitable.

KECK, MAHIN & CATE, Attorneys
for Defendant and Counter-Plaintiff
NICK N. NOVICKY

OF COUNSEL:

James G. Hiering
John T. McEnroe
8300 Sears Tower
233 South Wacker
Chicago, Illinois 60606
(312) 876-3400

V E R I F I C A T I O N

I, Nick N. Novicky being first duly sworn, on oath depose and state that I have read the foregoing answer and counterclaim; that the allegations therein contained are true in substance and in fact; that with regard to the allegations made upon information, I am informed and do believe the truth such allegations; and that the statements contained therein that I am without sufficient information to answer the allegations contained in Paragraphs 1, 10, 20 of Counts I, II and III of the Plaintiffs' and Counterdefendants' complaint are true.

_____
Nick N. Novicky

SUBSCRIBED AND SWORN TO
before me this 31st day of
July, 1980

_____
NOTARY PUBLIC

THIRD DIVISION
DECEMBER 7, 1983

81-1727/
81-2857

GEORGE F. TSUETAKI and FUSED KONTACTS OF CHICAGO, INC., an Illinois corporation,	)	APPEAL FROM THE CIRCUIT COURT OF COOK COUNTY.
Plaintiffs-Appellees,	)	HONORABLE REGINALD J. HOLZER, JUDGE PRESIDING.
vs.	)	
NICK N. NOVICKY,	)	
Defendant-Appellant.	)	

JUSTICE McGILLICUDDY delivered the opinion of the court:

Following a bench trial, defendant, Nick Novicky (Novicky), was found to have breached his employment contract with plaintiffs, George F. Tsuetaki and Fused Kontacts of Chicago, Inc. (Tsuetaki). The trial court also found that modifications of the contract

were void for duress, fraud and lack of consideration. An order was entered granting the injunctive relief sought by Tsuetaki, and ordering Novicky to return sums of money received pursuant to the contract modifications.

On appeal Novicky asserts (1) the injunction is overly broad, permanently precluding him from disseminating any and all information relating to the manufacturing of gas permeable contact lenses, thus effectively precluding him from pursuing his career; (2) the modifications of his employment contract were valid and not obtained by duress or fraud; (3) the order of the circuit court is void for failure to join an indispensable party to the litigation; and (4) the circuit court erred in dismissing Novicky's petition for rehearing based on section 72 of the Civil Practice Act (Ill. Rev. Stat. 1979, ch. 110, par. 72), now codified as section 2-1401 of

the Code of Civil Procedure (Ill. Rev. Stat. 1981, ch. 110, par. 2-1401).

At trial, Tsuetaki testified that he was a doctor of optometry doing business as Fused Kontacts, Inc. The corporation makes contact lenses for sale to doctors, labs and patients. In August 1978, Novicky, a chemist, stated to Tsuetaki that he had developed a new composition for gas permeable contact lenses that he wanted to sell to him. Tsuetaki signed a security agreement, providing that he would not analyze materials received from Novicky at that time, but that, if a business arrangement were reached, all technology would become the property of Tsuetaki.

Subsequently, Tsuetaki and Novicky met with Tsuetaki's patent attorney regarding the new composition for gas permeable contact lenses. Although Novicky had previously been employed as a chemist by Syntex Opthalmics, Inc., and/or Arapahoe Chemicals, Inc., (col-

lectively Syntex), a manufacturer of gas permeable contact lenses, Novicky maintained that he had developed the material offered to Tsuetaki after leaving Syntex and while working on his master degree at the University of Denver. Novicky represented that his invention did not infringe any patent owned by Syntex.

Tsuetaki and Novicky entered into an employment agreement for the period from September 1, 1978 to August 31, 1982, providing that Novicky would be employed to develop material and techniques useful for the production of contact lenses and related items. He was to be paid an annual salary of $22,500 adjusted annually to reflect increases in the cost of living and a discretionary bonus. In addition, in exchange for a present assignment of all rights to any inventions previously made by Novicky, he was to receive (1) $10,000 for each patent application covering developments made by Novicky for use in making contact

lenses and related items, approved by Tsuetaki and filed in the United States Patent Office; and (2) an additional $10,000 when and if a United States patent was issued on the application.

In return, Novicky assigned all inventions, developments and improvements to be made in the future to Tsuetaki during his life of the agreement plus six months thereafter. Novicky also agreed to keep the subject of his work "confidential" as long as such information had value to Tsuetaki or was still confidential.

The employment contract was signed on August 31, 1978, and Novicky began work in a laboratory provided by Tsuetaki. Novicky made rods of material from which his employer cut discs to make contact lenses. Tsuetaki tested the lenses by wearing them himself. He would then suggest to Novicky changes that might be made to improve the lenses. Eventually

they developed a material which they called "GN-1," and patent application serial number 6752 was filed in Novicky's name covering the GN-1 material. Pursuant to the agreement, Novicky was paid $10,000 at filing and $10,000 when the patent was officially allowed.

After the 6752 application was filed, Novicky filed two more applications for other inventions of which Tsuetaki was advised and which Novicky agrees belong to Tsuetaki. Novicky also filed three additional patent applications for other inventions, two of which he refers to as "private patents". Novicky testified that Tsuetaki was uninterested in these two patents and freely signed a statement in January 1980, waiving all rights to them. Tsuetaki, however, testified that he signed the waiver under duress and fraud and without consideration. The alleged duress was a backlog of orders which could only be filled by the production of the rods by Novicky.

The alleged fraud was Novicky's assurance that the two private patents were inferior to, and thus not competitive with, those assigned to Tsuetaki. However, following expert testimony, the trial court found that the private patents were competitive with GN-1. The court also found that Tsuetaki had signed the waiver under duress since the alternative was a complete shutdown of operations because of the stoppage of the production of the rods by Novicky.

The employment contract was further modified in May 1980, when Tsuetaki agreed to pay Novicky a royalty of $1.00 per rod for all GN-1 material produced. Tsuetaki testified that this agreement, too, was the product of duress. Novicky had started a production slowdown. Tsuetaki allegedly had a backlog of orders for 42,000 GN-1 blanks or 1900 rods and no personnel other than Novicky to produce them. At approximately the same time Novicky also requested and received from Tsuetaki an

additional $3,000 for preparation of a United States Food and Drug Administration file seeking approval of the GN-1 material. Again, Tsuetaki testified that he acted under duress. In June 1980, Novicky tendered his resignation to Tsuetaki.

The trial court found that Novicky had violated his employment agreement and on January 13, 1981, entered judgment for Tsuetaki, ordering Novicky to repay the $3,000. The judgment order also included an injunction which provided:

> "(4) NICK N. NOVICKY is hereby enjoined from disclosing to any person or entity the contents in whole or in part of any laboratory books and records dealing with the experiments, research, progress and development of the technology involved in the manufacture of contact lenses, including, but not limited to, those which could, would or did lead to the filing of letters patent. NICK N. NOVICKY is also enjoined from otherwise disseminating matters confidential to GEORGE TSUETAKI and/or FUSED KONTACTS OF CHICAGO".

On October 24, 1980, Syntex had requested permission to monitor the circuit court proceedings. Tsuetaki and Novicky objected. The trial court denied the request. On November 19, 1980, Syntex filed suit against Tsuetaki and Novicky in the United States District Court for the Northern District of Illinois alleging that Tsuetaki had wrongfully obtained Syntex's trade secrets from Novicky.

On February 18, 1981, Novicky filed a post-trial motion seeking modification of the judgment of January 13, 1981. Novicky contended that the injunction in paragraph (4) was overly broad, and that it was anomalous since Novicky was not precluded from manufacturing contact lenses using confidential information and processes belonging to Tsuetaki, as long as that information or process was not disclosed to any other person or entity.

Tsuetaki filed a petition for Rule to Show Cause on February 11, 1981, contending

that Novicky had improperly conferred with an attorney for Syntex, regarding the case in Federal court in which Novicky was appearing pro se. In response to the petition for Rule to Show Cause and in support of its own cross-petition for a stay of the injunction entered by the circuit court on January 13, 1981, Syntex submitted a memorandum stating that Novicky had agreed not to disclose or use contact lens-related trade secrets learned during the five years he had worked for Syntex. While Novicky worked for Syntex he had allegedly developed methods of making contact lenses, generating a Patent Disclosure executed on December 15, 1977, by three Syntex employees. Although this patent belonged to Syntex, it was allegedly substantially similar to the patent awarded to Tsuetaki in the January 13, 1981 judgment. Further, the judgment required Novicky to transfer to Tsuetaki documents allegedly belonging to Syntex and drafted by

Novicky during his employment there. Syntex requested the trial court to enter a protective order staying certain paragraphs of its order pending the decision of the Federal court regarding the rights of the parties.

On February 24, 1981, Syntex filed a Special and Limited Appearance to contest personal jurisdiction of the state court. On July 10, 1981, the trial court held that Syntex, by filing its cross-petition and its response to the petition for Rule to Show Cause, had made a general appearance thereby submitting itself to the jurisdiction of the trial court. The court, further, denied Syntex's petition for a protective order. Novicky's post-trial motion was also denied.

Novicky appeals the January 13, 1981 and July 10, 1981 decision of the circuit court. In addition, he filed a petition pursuant to section 72 of the Civil Practice Act (Ill. Rev. Stat. 1979, ch. 110, par. 72),

now codified as section 2-1401 of the Code of Civil Procedure (Ill. Rev. Stat. 1981, ch. 110, par. 2-1401), on the basis of testimony given by Tsuetaki and by Fused's comptroller, in the Federal case against both Tsuetaki and Novicky. Novicky asserted in his petition that (1) evidence given by Tsuetaki and the comptroller in the Federal case directly contradicted testimony relied upon by the circuit court in its resolution of the case in the circuit court; and (2) evidence in the Federal case established that Syntex was an indispensable party who should have been joined to the circuit court action. Tsuetaki filed a motion to strike the section 72 petition. The court granted the motion to strike. Novicky also appeals this order.

I.

We first address the issue of the dismissal of the section 72 petition which alleged that the evidence given by Tsuetaki in the circuit

court was contradicted by subsequent depositions given by Tsuetaki in the Syntex case in the Federal court. Tsuetaki and his comptroller, Bill Vranas (Vranas), testified in the trial of the instant case in support of Tsuetaki's claim of coercion and duress that Tsuetaki had not been able to fill his orders for lenses during the summer of 1980 because of Novicky's refusal to produce sufficient material and his lack of other personnel to manufacture the material. However, according to their depositions in the Federal case, not only had Tsuetaki been able to fill his orders on July 3, 1980 and July 15, 1980, from material made by Novicky before his resignation, but Vranas testified further that sales were in fact "bad" during the summer of 1980 and that when Tsuetaki resumed production without Novicky he still had an inventory over 1,000 "buttons" produced by Novicky. This is inconsistent with Vranas' and Tsuetaki's testimony in the circuit court.

Concerning Novicky's so-called "private patents", Tsuetaki testified in circuit court in support of his allegation that Novicky had coerced him into waiving his interest in those patents:

> "I asked Mr. Novicky, what do you want to do. What do I have to do in order that we can have production and satisfy our needs? **** I had no choice but to sign this."

However, in his deposition in the Federal case filed by Syntex, Tsuetaki stated that about six months after the commencement of the employment agreement Novicky had offered him the private patents for $10,000. Tsuetaki stated that he simply did not wish to accept his offer. Again this contradicts the testimony in the instant case.

Further, regarding the alleged duress resulting from Tsuetaki's complete dependence on Novicky for the production of lenses due to a lack of other qualified employees, the

Federal deposition revealed that Tsuetaki had actually opened a second laboratory, Paragon Research Corporation, before Novicky resigned. In the instant case, on the other hand, Tsuetaki had testified that he had "no desire" to open another laboratory facility and that Novicky would not have permitted him to hire an additional chemist.

In addition, in the circuit court, counsel for Tsuetaki referred to Novicky as having "extorted" the $3,000 received for preparation of the United States Food and Drug Administration file, claiming that the typing bills in conjunction with the preparation of the file had amounted to only $54. The actual bills, disgorged in the Federal court proceeding, totaled approximately $1,400.

In the section 72 petition Novicky also alleged that Syntex was an indispensable party to the circuit court case, based on Syntex's assertions in the Federal case that it had a

proprietary interest in the subject matter of this case. Novicky's section 72 petition was supported by his affidavit and memorandum.

Tsuetaki filed a motion to dismiss the section 72 petition alleging that it was insufficient at law to state a claim for relief. The circuit court entered an order striking the section 72 petition on the basis that the newly discovered evidence could have been presented at the trial if Novicky had exercised due diligence.

First, we note that for purposes of a section 72 petition, as in other pleadings, failure to answer the allegations of the petition constitutes an admission. (Campbell v. Kaczmarek (1976), 39 Ill. App. 3d 465, 350 N.E.2d 97.) Therefore, we must accept Novicky's allegations as true and the only issue before this court is whether the petition and its supporting affidavit adequately set forth facts to show that the trial court abused its discretion in

denying the petition. (Colletti v. Schrieffer's Motor Service Inc. (1962), 38 Ill. App. 2d 128, 186 N.E.2d 659.) A court of review may disturb a trial court's decision regarding a section 72 petition only if it finds that the court abused its discretion. Stallworth v. Thomas (1980), 83 Ill. App. 3d 747, 404 N.E.2d 554.

The criteria for a successful section 72 petition are well established. A party must demonstrate: (1) the existence of a meritorious defense or claim; (2) due diligence in presenting this defense or claim to the court in the original action; (3) that, through no fault of his own, an error was made or a defense or claim was not raised; and (4) due diligence in filing the petition. In addition, the petition must set forth specific factual allegations in support of each element in order to prevail. Stallworth v. Thomas.

The purpose of section 72 petition is to permit the vacation of judgments where facts exist which, had they been known to the trial court, would have precluded the judgment. (Diacou v. Palos State Bank (1976), 65 Ill. 2d 304, 357 N.E.2d 518; People v. Hinton (1972), 52 Ill. 2d 239, 287 N.E.2d 657, cert. denied (1973), 410 U.S. 940.) It must be a fact that influenced the court in its judgment but about which the court was in error. Further, the petitioner must demonstrate that through no fault or neglect of his own the error of fact could not have been discovered at the time of the original proceeding. (People v. Jennings (1971), 48 Ill. 2d 295, 269 N.E.2d 474; People v. Stewart (1978), 66 Ill. App. 3d 342, 383 N.E.2d 1179.) Section 72 is an appropriate remedy where the omission of a valid defense was caused by fraud, duress or excusable mistake. It is not intended to relieve a party of the consequences of his

own negligence or mistake. Diacou v. Palos State Bank; People v. Stewart.

It is our opinion that Novicky has alleged specific facts in his petition, recounted above, which could have led the circuit court to a different decision regarding the agreement between him and Tsuetaki, as well as the modifications of that agreement, had they been known at the time of judgment. The cornerstone of Tsuetaki's case was his claim of economic duress produced by Novicky's alleged refusal to produce sufficient material to fill Tsuetaki's orders for contact lenses. It was on this basis that the trial court held the modifications of the employment agreement to have been made under duress and therefore unenforceable. Depositions taken during discovery in the Syntex Federal case -- the testimony of Tsuetaki himself as well as that of Bill Vranas, the two principal witnesses in the action against Novicky -- refute this. Thus, we

believe that Novicky has presented a meritorious defense and the initial requirement for a successful section 72 petition has been satisfied.

In his petition Novicky stated, in support of the due diligence requirement, that these facts were not brought out at trial because, as an individual, he was economically precluded from the scope of discovery available to Syntex, a corporation. While this may not be sufficient to establish due diligence in itself, we note that the equitable powers of the court are invoked in the consideration of section 72 petitions (Elfman v. Evanston Bus Co. (1963), 27 Ill. 2d 609, 190 N.E.2d 348), and that section 72 relief is granted to achieve justice, and that a liberal construction is used to achieve that end. (Elfman v. Evanston Bus Co.; Electrical Wholesalers, Inc. v. Silverstein (1977), 47 Ill. App. 3d 689, 365 N.E.3d 375.) The requirement of due diligence need not be

rigidly enforced when fraud or unconscionable behavior is shown. (Department of Public Works & Building v. O'Hare International Bank (1976), 44 Ill. App. 3d 934, 358 N.E.2d 1308; see Esczuk v. Chicago Transit Authority (1968), 39 Ill. 2d 464, 236 N.E.2d 719.) We believe that the apparently false testimony given by Tsuetaki and Vranas may fairly be characterized as fraud.

Further, it is our opinion that Tsuetaki's self-serving testimony, depending upon the court in which he had been called to testify or to give a deposition, constituted unconscionable behavior. Since it can hardly be attributed to any fault on Novicky's part that Tsuetaki and Vranas did not testify truthfully, we conclude that the requirement of due diligence has been satisfied and that the trial court abused its discretion in dismissing Novicky's section 72 petition. Thus, the judgment of the trial court is vacated and this matter is remanded for further proceedings.

II.

We next address the issue of Syntex as a necessary party. We first note that we do not believe that Syntex should be joined on the basis of the section 72 petition, since as Syntex's former employee any fault for the failure to join Syntex originally must be attributed to Novicky. Relief pursuant to section 72 is not designed to remedy the consequences of a party's own negligence. Diacou v. Palos State Bank (1976), 65 Ill. 2d 304, 357 N.E.2d 518.

However, it is well established that if a complete determination of a controversy cannot be had without the presence of a party, or if a person, not a party, has a property interest which a judgment may affect, the court on application shall direct him to be made a party. (Ill. Rev. Stat. 1979, ch. 110, par. 25(1), now codified as section 2-406(a) of the Code of Civil Procedure (Ill. Rev.

Stat. 1981, ch. 110, par. 2-406(a)); (Lain v. John Hancock Mutual LIfe Insurance Co. (1979), 79 Ill. App. 3d 264, 398 N.E.2d 278; Lerner v. Zipperman (1979), 69 Ill. App. 3d 620, 387 N.E.2d 946.) This is required by fundamental principles of due process, since a court is without jurisdiction to enter a decree or judgment which affects a right or interest of someone not before that court. (Lerner v. Zipperman.) The requirement of joinder of necessary parties is absolute and inflexible and therefore an appellate court has a duty to enforce the principle of law requiring the joinder of parties sua sponte as soon as it is brought to its attention. Lerner v. Zipperman.

In our opinion due process requires that Syntex be joined to this action upon remand. Syntex is clearly a necessary party since it is manifest from the record as well as the parties' briefs on appeal that, as

Novicky's former employer, Syntex has claimed a property interest in the same alleged trade secrets and patented processes that are the subject matter of the controversy between Novicky and Tsuetaki. A judgment enjoining Novicky from the use or dissemination of this information, while allowing Tsuetaki to proceed freely, could infringe the rights of Syntex, as could a contrary disposition. Therefore, we hold that upon remand Syntex must be joined as a necessary party.

III.

Finally, since the issue is likely to arise again upon remand, we address the scope of the injunction against Novicky. An injunction should be reasonable and should only be as broad as is essential to safeguard the rights of the plaintiff. (Village of Wilsonville v. SCA Services, Inc. (1981), 86 Ill. 2d 1, 426 N.E.2d 824.) Furthermore, as a general rule, an injunctive order should not be broader

in scope than the relief sought in the pleadings. (Cook County v. Rosen & Shane Wine & Spirits, Inc. (1978), 58 Ill. App. 3d 744, 374 N.E.2d 838; Schlicksup Drug Co., Inc. v. Schlicksup (1970), 129, Ill. App. 2d 181, 262 N.E.2d 713.) We agree with Novicky that the apparently perpetual injunction entered by the trial court essentially enjoining him from disclosing any and all information relating to the manufacture of contact lenses, including but not limited to information which could, would or did lead to the filing of applications for letters patent, is too broad. The granting of the injunction is reversed. To aid in the enforceability of any possible future injunction, the trial court should delineate with greater specificity precisely which information may not be disclosed or used, and for what period of time.

For the foregoing reasons, the judgment of the circuit court of Cook County is reversed and remanded for a new trial.

Reversed and remanded.

McNAMARA, P.J., and RIZZI, J., concur.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

SYNTEX OPHTHALMICS, INC., et al., Appellees, v. NICK N. NOVICKY, et al., Appellants.	)	Appeal No. 83-838
GEORGE F. TSUETAKI, et al.,* Appellees, v. NICK N. NOVICKY, et al., Appellants.	)	Appeal No. 84-857

DECIDED: July 18, 1985

Before DAVIS, Circuit Judge, NICHOLS, Senior Circuit Judge, and BALDWIN, Circuit Judge.

PER CURIAM.

This case is back on remand from the Supreme Court. Our original opinion issued

---

* As in our original consideration of the case, Tsuetaki et al. did not participate in the proceedings on remand. Also as before, we treat this as one appeal.

on October 3, 1984, 745 F.2d 1423, 223 USPQ 695, and we shall not restate its contents. Novicky filed a petition for certiorari, mainly relating to the effect we gave to the Illinois state judgment. On March 18, 1985 the Supreme Court granted certiorari, vacated our judgment, and remanded the case "for further consideration in light of Marrese v. American Academy of Orthopaedic Surgeons, 470 U.S. ____ (1985)." 53 U.S.L.W. 3668. We asked Novicky and Syntex for supplemental briefs on the single question of the effect of Marrese on our prior decision in this case. Those briefs have been filed and the case is now ready again for disposition.

I.

We are not certain whether the Supreme Court vacated our entire judgment (including those portions as to which certiorari was not sought). See O'Connor v. Donaldson, (422 U.S. 563, 577 n.12 (1975). Because such a

full vacation may have occurred, we now reinstate, without more, the parts of our opinion and judgment (a) remanding to the District Court the question of Syntex's title to the '483 and '983 patents (the "private patents"), (b) reversing the District Court's dismissal of Novicky's counterclaim for fraud and unjust enrichment regarding those patents, (c) affirming the District Court's judgment that Novicky misappropriated Syntex's trade secrets, (d) reversing the District Court's final injunction and remanding for further consideration of the duration and terms of that injunction in accordance with our opinion of October 3, 1984, and (e) affirming the denial of Novicky's motion to remand the state action back to the state court. Those parts of our prior judgment and opinion have nothing to do with the Supreme Court's Marrese decision and opinion, and are in no way affected by either.

II.

The Supreme Court's Marrese decision, 53 U.S.L.W. 4265, does relate to our holding that the state courts' decision that Tsuetaki (now Syntex) owns the "non-private" patents is entitled to preclusive effect in the present federal case. See 745 F.2d at 1431-33, 223 USPQ at 701-702. Accordingly, we have reexamined that conclusion in the light of the Marrese holding that, where a prior state court judgment is involved in a federal suit, federal courts should apply the state's preclusion rules on issues of res judicata.

Illinois applies the same principles of claim preclusion as does the federal law cited in our prior opinion. 745 F.2d at 1432, 223 USPQ at 702. A recent Illinois Supreme Court decision stated: "[A] final judgment rendered by a court of competent jurisdiction on the merits is conclusive of the rights of the parties and their privies,

and, as to them, constitutes an absolute bar to a subsequent action involving the same claim, demand or cause of action." Spiller v. Continental Tube Co., 95 Ill. 2d 423, 447 N.E.2d 834, 838 (1983). The same rule was applied by the Illinois Appellate Court in holding that a prior decision of a federal bankruptcy court precluded a later Illinois suit on the same claim: "The value of a plea of res judicata is not determined by the reasons given by a court in support of that judgment nor is it mitigated by the fact that it rests upon an erroneous view of the law. [Citations omitted.] Consequently, a cause of action by a court of competent jurisdiction [sic] cannot be tried again in new proceedings before the same or a different tribunal, except in a direct action to set aside the prior adjudication." In re Donnellan, 90 Ill. App. 3d 1032, 414 N.E.2d 167, 171 (1980). It follows that, under Illinois pre-

clusion law (as under federal law), the decisions of the state trial court and of the Appellate Court that Novicky did not own the "non-private" patents (see 745 F.2d at 1431-32, 223 USPQ at 701-702) "are entitled to preclusive effect." 745 F.2d at 1432, 223 USPQ at 701.[1/]

Novicky tells us that these general Illinois preclusion rules are overborne by another supposed rule, i.e., that an appellate court's mandate of remand is treated by Illinois law as determinative "as distinguished from its opinion." (Brief of Defendant-Appellant Novicky on Remand, p.6.) This supposed rule is invoked because the Illinois Appellate

---

[1/] As we previously said (745 F.2d at 1432 n.17, 223 USPQ at 701-702 n.17), the fact that a rehearing petition appears to be still pending in the state appellate court does not prevent that court's judgment from having conclusive effect. See Sixty-Third & Halsted Realty Co. v. Goldblatt Bros., 342 Ill. App. 389, 96 N.E.2d 838, 843, aff'd 410 Ill. 468, 102 N.E.2d Ill. 2d 291, 427 N.E.2d 563, 570 (1981).

Court ended its opinion as follows: "For the foregoing reasons, the judgment of the circuit court of Cook County is reversed and remanded for a new trial." That mandate is said wholly to wipe out the state trial court's decision, even though the Appellate Court's opinion indicates that it accepted the part of the trial decision bearing on the ownership of the "non-private" patents. But the two Illinois decisions Novicky cites (in support of his argument) stand for quite a different general principle -- that the mandate should be construed in the light of the opinion and the trial court should abide by that mandate and not act beyond its dictates. PSL Realty Co. v. Granite Inv. Co., 86 Ill. 2d 291, 427 N.E. 2d 563, 571 (1981) ("In construing the language [of the mandate] matters which are implied may be considered embraced by the mandate. [Citations omitted.] The trial court may only do those things directed in the mandate. [Citation omitted.] The trial court

has no authority to act beyond the dictates of the mandate."); Bradley v. Howard Hembrough Volkswagen, Inc., 89 Ill. App. 3d 121, 124, 411 N.E.2d 535, 537 ("When a trial court's judgment is reversed, the trial court is clearly bound by the appellate court's determination of all questions decided and can only act in such proceedings in a manner as conforms to the appellate court's judgment").[2/]

[2/] Other Illinois opinions (not cited by Novicky) contain comparable (and even more explicit) language. See Pittsburgh, C., C. & St. L. Ry. Co. v. Gage, 286 Ill. 213, 217, 121 N.E. 582, 584 (1918) ("Where a judgment is reversed by an appellate court, the judgment of the appellate court is final upon all questions decided, and those questions are no longer open to consideration. If the cause has been remanded, the court to which it is remanded can take only such proceedings as conform to the judgment of the appellate court. If specific directions are given, the court can do nothing but carry out the specific directions. If specific directions are not given, it must be determined from the nature of the case what further proceedings are proper, and it is the duty of the court to which the cause is remanded to examine the opinion and proceed in conformity with it."); Shlensky v. South Parkway Building Corp., 44 Ill. App. 2d 135, 194 N.E.2d 35, 38 (1963) ("It was the duty of the Circuit Court to examine the opinion of the Supreme Court and proceed in conformity with it.").

Here, it is clear that the Illinois Appellate Court reversed and remanded for a new trial on aspects of the case other than the ownership of the "non-private" patents (the aspects on which remand was ordered were treated at length in the appellate opinion) and that that specific direction to the trial court was incorporated in the initial phrase of the mandate, "For the foregoing reasons, the judgment . . . is reversed and remanded." Conversely, under Illinois law, the unreversed parts of the trial court judgment (in particular, the decision as to the ownership of the "non-private" patents) remained outstanding, unaffected by the reversal/remand, and formed a part of the Appellate Court's mandate. In short, Novicky has no viable exception to the Illinois preclusion rules on which to rest.

III.

Novicky asks us, at this late stage, to

order the District Court to abstain from further proceedings, at least until the state court proceeding is completed. This is a new argument and we decline to consider it now. We have very little information on the current status of the proceedings below, or of those in the state courts -- and we have no basis whatever for any judgment of our own on appropriateness, convenience, or other factors bearing on possible abstention. The matter is left open for the District Court if Novicky decides to make an abstention request to that tribunal.

The result is that, after further consideration as directed by the Supreme Court, we reinstate Part VI ("Conclusion") of our previous opinion, 745 F.2d at 1437, 223 USPQ at 706, and reach the same conclusion.

Affirmed in part, Modified in part, Reversed in part, and Remanded.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

SYNTEX OPHTHALMICS, INC., ARAPAHOE CHEMICALS, INC., Appellees,	)	
v.	)	No. 84-838/857
NICK N. NOVICKY, GEORGE F. TSUETAKI, RUSED KONTACTS OF CHICAGO, INC., Appellants	)	

ORDER

A petition for rehearing and a suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is Ordered by the court that the petition for rehearing be, and the same is hereby, Denied.

The suggestion for rehearing in banc is declined.

FOR THE COURT

Francis X. Gindhart, Clerk

October 2, 1985
Date

cc: Keith V. Rockey
James W. Gould